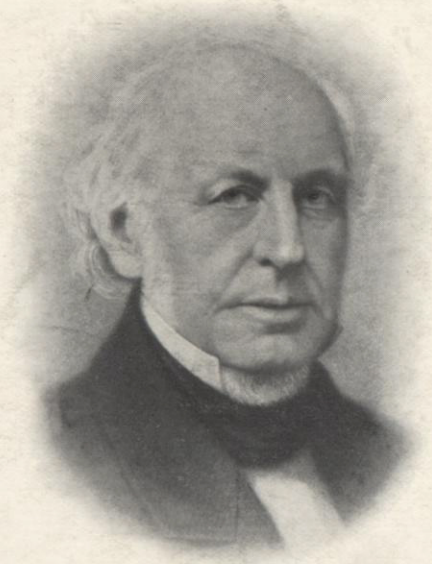


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The Baldwin Locomotive Works

Standard Steel Works Co.

PHILADELPHIA, PA., U. S. A.



Report

DECEMBER 31, 1927

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Seventeenth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

December 31, 1927

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

THOMAS S. GATES, Chairman
WILLIAM L. AUSTIN
SAMUEL M. VAUCLAIN
WILLIAM E. COREY
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
JOHN M. HANSEN
FRANCIS M. WELD
ALVA C. DINKEY
FRED. J. FISHER
CLARENCE R. BITTING
ARTHUR W. CUTTEN
JOS. N. EWING

Philadelphia
Rosemont, Pa.
Rosemont, Pa.
New York City
Philadelphia
Lebanon, Pa.
Philadelphia
Pittsburgh
New York City
Philadelphia
Detroit
Detroit
Chicago
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
JOHN P. SYKES

WILLIAM DE KRAFFT

ARCHIBALD H. EHLE

F. DE ST. PHALLE
JAMES McNAUGHTON

CHARLES A. BOURGEOIS
JACQUES L. VAUCLAIN

HARRY GLAENZER
WILLIAM A. RUSSELL
ARTHUR L. CHURCH
A. B. EHST

President
Senior Vice-President in Charge of Plants
and Manufacture
Vice-President in Charge of Finance, and
Treasurer
Vice-President in Charge of Domestic
Sales
Vice-President in Charge of Foreign Sales
Vice-President in Charge of the New York
Office
Vice-President in Charge of Manufacture
Vice-President in Charge of Plant and
Equipment
Vice-President in Charge of Engineering
Vice-President in Charge of Purchases
Secretary and Assistant Treasurer
Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

500 North Broad Street, Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 415 Chestnut Street
IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting Annuities, 15th and Chestnut Streets
IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

REPRESENTATIVES AND AGENTS

Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
Houston, Texas	RUSSELL A. HEY	1108-9 Second National Bank Building
New York, N. Y.	JAMES MCNAUGHTON	120 Broadway
Pittsburgh, Pa.	CHAS. E. HALE	375 Union Trust Bldg.
Portland, Ore.	A. J. BEUTER	313 American Bank Bldg.
Richmond, Va.	G. F. JONES	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1010 Pine St.
St. Paul, Minn.	HENRY BLANCHARD	908 Merchants National Bank Building
San Francisco, Cal.	LATHAM McMULLIN	2910 Russ Building
Africa (South)	L. M. MCKUNE	North British Building Johannesburg
Argentina	WALLACE R. LEE	Paseo Colon 185, Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay Street, Perth, Western Australia

Brazil	C. F. DODSON	Rua da Alfandega 48, Rio de Janeiro
"	CORY BROS. & CO., LTD.	Bahia and Pernambuco
Chile	WALLACE R. LEE	Edificio Ariztia, Santiago
China	ANDERSEN, MEYER & CO., LTD.	Shanghai and Peking
Colombia	A. B. HARDIE	Bank of Colombia Building, Bogota
Cuba and Jamaica	G. R. PEREZ	301 Edificio La Metropoli- tana, Havana
European Continent (Excluding Russia and Scandinavia)	PAUL NEGRIER	42 bis Blvd. Richard-Lenoir, Paris
Great Britain	ASHTON DORR	34 Victoria Street, London, S. W. 1
Hawaiian Islands	C. BREWER & CO., LTD.	Honolulu
India	F. T. SLAYTON	5 Dalhousie Square, Calcutta
Japan	SALE & CO., LTD.	Tokyo
Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F. Mexico City
New Zealand	PHILIPS & PIKE, LTD.	Wellington
Peru and Ecuador	R. C. TINSLEY	Edificio Italia, Lima
Philippines	PACIFIC COMMERCIAL CO., INC.	Manila
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & Co., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway
Venezuela	T. D. DREW-BEAR	Apartado 472, Caracas

PLANTS

PHILADELPHIA AND EDDYSTONE
PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

WILLIAM L. AUSTIN
SAMUEL M. VAUCLAIN
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
THOMAS S. GATES

Rosemont, Pa.
Rosemont, Pa.
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
JOHN P. SYKES
WILLIAM DE KRAFFT
A. A. STEVENSON
FRANK K. METZGER
WILLIAM A. RUSSELL
ARTHUR L. CHURCH
A. B. EHST

President
Senior Vice-President in Charge of Plant
and Manufacture
Vice-President in Charge of Finance, and
Treasurer
Vice-President in Charge of Manufacture
Vice-President in Charge of Sales
Vice-President in Charge of Purchases
Secretary
Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

To the Stockholders of The Baldwin Locomotive Works

The President submits to the Stockholders his report for the calendar year 1927—presenting:

The Baldwin Locomotive Works Summary of Operations, pages 7 and 8.

The Baldwin Locomotive Works Balance Sheet, page 9.

Standard Steel Works Company Balance Sheet, page 10.

The Consolidated Balance Sheet, page 11.

The Report of Certified Public Accountants, page 12.

The foreign business was satisfactory.

The transfer of equipment and operations to Eddystone has been continued, and will be completed by July, 1928.

Due to obsolescence of machinery and tools, that account has been depreciated One Million Dollars.

The Standard Steel Works Company issued 20,000 shares additional Capital Stock, which was purchased by The Baldwin Locomotive Works at par.

All outstanding Bonds of the Standard Steel Works Company have been retired.

S. M. VAUCLAIN,
President.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1927

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	13,616,163.36	365,229.92	\$15,000.00	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	40,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,057.99	9,444,641.91	3,960,854.87	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	2,888,118.36	1,400,000.00	6,905,722.30	.....	55,346.52
1918	123,179,251.99	18,262,112.05	15,009,816.51	1,400,000.00	1,852,295.54	\$15,800,000.00	1,907,642.06
1919	84,307,776.72	8,871,243.30	3,095,000.00	2,100,000.00	3,676,243.30	.....	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,978,751.03	2,800,000.00	1,628,518.72	970,527.60	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	2,830,505.69	13,257,533.84
1922	33,087,258.62	6,765,514.43	1,558,995.38	2,800,000.00	2,406,519.05	.....	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	3,266,725.00	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00†	1,320,026.77	.....	18,367,268.97
1925	27,876,064.14	196,563.95	.....	2,800,000.00†	196,563.95	2,800,000.00†	15,763,832.92
1926	47,891,668.91	6,492,422.39	608,515.42	2,800,000.00†	5,883,906.97	2,800,000.00†	18,847,739.89
1927	32,901,143.07	3,705,446.70	1,263,246.87	2,800,000.00†	2,442,199.83	5,437,881.01§	15,852,058.71
	\$875,900,831.10	\$108,773,714.12		\$36,400,000.00			

* Deficit

† From Reserves

‡ For Dividends Subsequent Year

§ Dividends 1928 and Accumulated Depreciation

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations for the Year Ending
December 31, 1927

Sales.....	\$32,901,143.07
Cost.....	30,853,796.39
Manufacturing Profit.....	2,047,346.68
Other Income	
Interest, etc.	2,337,314.96
Gross Income	4,384,661.64
Deduct	
Accrued Interest, etc.	679,214.94
Profit	3,705,446.70
Less Depreciation	\$1,000,000.00
Taxes	225,000.00
Deferred Profits	38,246.87
	1,263,246.87
Net Profit.....	\$2,442,199.83

(Subject to revision to meet any changes in interpretation of Federal Tax Laws,
Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS

Balance Sheet, December 31, 1927

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK:	
Land and Buildings.....	\$20,242,584.04	Preferred	\$20,000,000.00
Machinery and Fixtures.....	12,770,562.80	Common	20,000,000.00
	<u>33,013,146.84</u>		<u>40,000,000.00</u>
INVESTMENTS:		FIRST MORTGAGE BONDS	
Standard Steel Works Co.....	9,041,501.31		10,000,000.00
Chicago Plant.....	461,334.14		
Dwelling House.....	5,880.00		
	<u>9,508,715.45</u>		
CURRENT ASSETS:		CURRENT LIABILITIES:	
Inventories.....	3,941,703.06	Accounts Payable.....	1,563,727.26
Accounts Receivable	8,218,865.89	Depositors' Saving Fund.....	1,393,543.41
Bills Receivable	1,143,976.23		<u>2,957,270.67</u>
Miscellaneous Securities	4,447,220.03		
Republic of Poland Bonds (5%)	1,950,000.00		
Roumanian Treasury Notes (7%)	433,374.39		
Mexican Govt. Rys. (Notes)	1,632,220.73		
Chinese Govt. (Kinchun Ry.)	1,485,000.00		
Republic of Colombia (Notes)	178,583.50		
Cash	3,457,176.44		<u>451,483.19</u>
	<u>26,908,120.27</u>		
DEFERRED CHARGES:		SURPLUS AND RESERVES:	
Advances, etc.		Deferred Profit.....	966,286.46
		Taxes	225,000.00
		Dividends, 1928	2,800,000.00
			<u>3,991,286.46</u>
	<u>180,516.47</u>	Total Reserves.....	
		Surplus	15,852,058.71
			<u>19,843,345.17</u>
SINKING FUND:			
First Mortgage Bonds	3,641,600.00		
	<u>\$73,252,099.03</u>		<u>\$73,252,099.03</u>

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

Balance Sheet, December 31, 1927

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK.....	
Land, Buildings and Machinery	\$10,047,957.58		\$8,000,000.00
Less Depreciation	729,391.76		
		CURRENT LIABILITIES:	
	9,318,565.82	Accounts Payable.....	502,366.29
		Saving Funds	143,084.96
			645,451.25
CURRENT ASSETS:			
Inventories.....	1,845,746.49		
Accounts Receivable	460,504.94		
Bills Receivable.....	3,785.56	RESERVES:	
Marketable Securities.....	203,639.89	Income Taxes	432,932.71
Cash	247,382.08		
		SURPLUS.....	3,001,240.82
			\$12,079,624.78

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS AND STANDARD STEEL WORKS COMPANY
Consolidated Balance Sheet, December 31, 1927

ASSETS

PLANT AND EQUIPMENT.....	\$42,331,712.66	CAPITAL STOCK	\$40,000,000.00
INVESTMENTS, REAL ESTATE, ETC.....	467,214.14	BONDED DEBT	10,000,000.00
CURRENT ASSETS	29,402,390.09	CURRENT LIABILITIES	3,335,932.78
DEFERRED CHARGES.....	180,516.47	INTEREST	451,483.19
SINKING FUND	3,641,600.00	SURPLUS AND RESERVES.....	22,236,017.39
	<u>\$76,023,433.36</u>		<u>\$76,023,433.36</u>

LIABILITIES

STOCKWELL, WILSON & LINVILL

LAND TITLE BUILDING

PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books of The Baldwin Locomotive Works and Standard Steel Works Company for the year ending December 31, 1927. In further verification of assets appearing on the books, we inspected and counted the notes receivable, securities, cash in hand, and obtained confirmation of bank balances and securities held by banks for your account.

While we did not actually count and weigh the merchandise, materials and finished stock, we inspected the inventory sheets and many of the items thereon as to price, extensions and footings thereof. The basis of valuation throughout was cost or market, whichever was lower, except that goods-in-process under sales contracts were valued at cost.

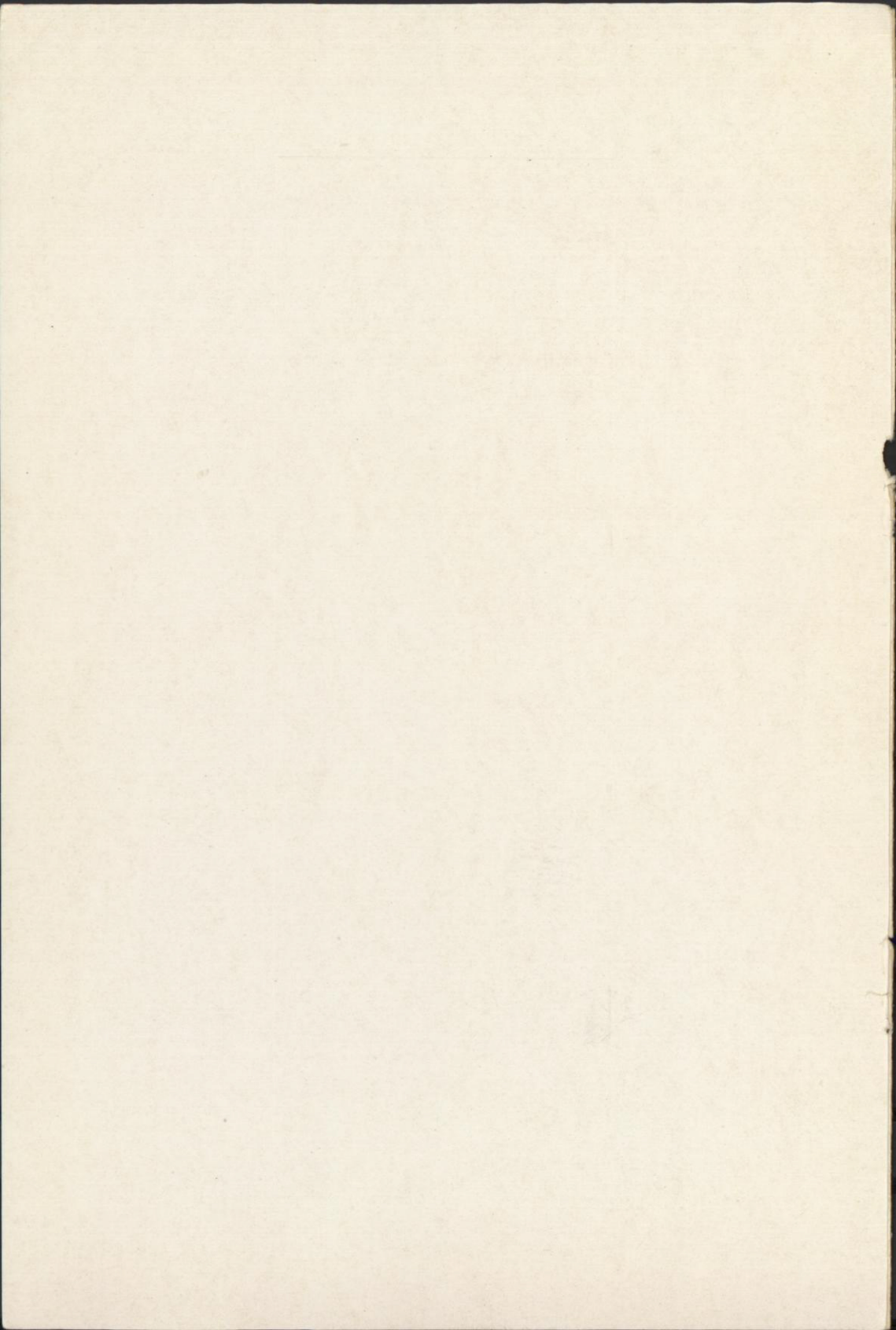
An examination of the details of the accounts receivable shows them to represent current, good book accounts, all accounts known to be bad having been charged off.

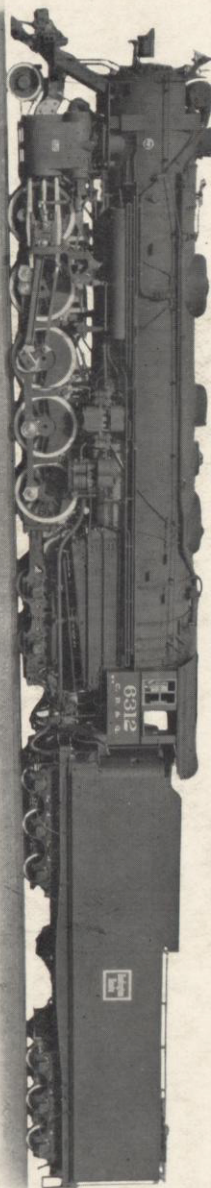
We did not make a physical inspection of the plant, but did examine the amounts added to the plant accounts during the year, and are satisfied that they constitute proper charges. Reserves have been set up for Federal taxes and depreciation of plant and machinery.

Subject to the foregoing, the consolidated balance sheet, in our opinion, represents the true financial condition of your company as of December 31, 1927.

STOCKWELL, WILSON & LINVILL
Certified Public Accountants

February 4, 1928.





1912
1912
1912